

E-File: July 17, 2009

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**UNITED STATES BANKRUPTCY COURT
 FOR THE DISTRICT OF NEVADA**

In re:

Case No. 09-14814 LBR

THE RHODES COMPANIES, LLC, aka "Rhodes
 Homes," et al.,¹

Date: July 17, 2009

Time: 1:30 p.m.

Place: Courtroom 1

Debtors.

☒ Affects All Debtors
☐ Affects the following Debtors:

PLAN EXCLUSIVITY AND CASH COLLATERAL STIPULATION

¹ The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09- 14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C & J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20 LLC (Case No. 09-14848); Tuscany Acquisitions IV LLC (Case No. 09-14849); Tuscany Acquisitions III LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalk-line, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, LLC (Case No. 09- 14882); Tuscany Golf Country Club, LLC (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

1 This Stipulation is entered into by and between the Debtors, the First Lien Steering
 2 Committee (“FLSC”), the Administrative Agent for the First Lien Lenders (the “Agent”), the
 3 Administrative Agent for the Second Lien Lenders (the “Second Lien Agent”), the Official
 4 Committee of Unsecured Creditors (the “OCUC”), and certain non-Debtor affiliates of the
 5 Debtors (the “Non-Debtor Affiliates”). The foregoing parties (together, the “Parties”) hereby
 6 enter into this Stipulation and agree as follows:

7 RECITALS

8 WHEREAS, the Debtors filed the *Emergency Motion to Extend Time on the 90-Day Time*
 9 *Period to File a Plan Under Section 362(d)(3) of the Bankruptcy Code for Certain of the Debtors*
 10 *[Rhodes Docket No. 233]* (the “SARE Motion”);

11 WHEREAS, the Debtors filed the *Emergency Motion to Extend Cash Collateral Termi-*
 12 *nation Date* [Docket No. 236] (the “Cash Collateral Extension Motion”);

13 WHEREAS, the Debtors filed the *Motion to Extend Exclusivity Period for Filing a*
 14 *Chapter 11 Plan and/or Disclosure Statement* [Docket No. 261] (the “Exclusivity Extension
 15 Motion”);

16 WHEREAS, the FLSC filed the *Objection of the First Lien Steering Committee to Motion*
 17 *to Extend Exclusivity Period for Filing a Chapter 11 Plan and/or Disclosure Statement* [Docket
 18 No. 306];

19 WHEREAS, the FLSC filed the *Objection of the First Lien Steering Committee to*
 20 *Debtors’ Emergency Motion for an Order Extending Cash Collateral Termination Date* [Docket
 21 Number 236] [Docket No. 321];

22 WHEREAS, the Agent filed the *Objection to Motion to Extend Exclusivity Period for*
 23 *Filing a Chapter 11 Plan and/or Disclosure Statement and Joinder in First Lien Steering*
 24 *Committee’s Objection Thereto* [Rhodes Docket No. 308];

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WHEREAS, the Agent filed the *Objection to and Joinder in First Lien Steering Committee's Objection to Debtors' Emergency Motion for an Order Extending Cash Collateral Termination Date* [Docket No. 314];

WHEREAS, the OCUC filed the *Committee's Statement Regarding Debtors' Pending Motions to Extend Exclusivity and Allow Continued Use of Cash Collateral* [Docket No. 324];

WHEREAS, on April 30, 2009, the Court entered that *Final Stipulated Order (I) Authorizing Use of Cash Collateral Pursuant to Sections 105, 361, 362 and 363 of the Bankruptcy Code and (II) Granting Adequate Protection and Super Priority Administrative Expense Priority to Prepetition Secured Lenders re Debtors' Motion for Interim and Final Orders Pursuant to Sections 105, 361, 362, 363, and 364, etc.* [Docket No. 126] (the "Final Cash Collateral Order");

WHEREAS, the Parties have agreed to a plan mediation pursuant to the agreement set forth below with either Judge Zive (District of Nevada), Judge Neiter (Central District California) or a mutually acceptable mediator to determine if the terms of a consensual plan between the Parties can be reached (the "Plan Mediation");

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration (the receipt and sufficiency of which are acknowledged), it is hereby stipulated and agreed by and between the Parties as follows:

AGREEMENT

1. The exclusive period under section 1121(d)(1) of the Bankruptcy Code under which only the Debtors may file a plan of reorganization is terminated immediately, provided that none of the Parties shall file a plan of reorganization or facilitate any other person in filing a plan of reorganization prior to August 28, 2009, regardless of the status of the Plan Mediation.

2. The 90-day period under Section 362(d)(3) of the Bankruptcy Code is extended until August 28, 2009.

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1 3. The Parties shall engage in good faith non-binding Plan Mediation session(s) and
2 the Plan Mediation shall last no longer than a total of 24 hours over three business days, unless
3 (i) the Mediator declares an impasse prior to the expiration of such three business day (24 hour)
4 period, or (ii) all of the Parties otherwise agree.

5 4. Subject to the Debtors' continued compliance with all other terms of the Final
6 Cash Collateral Order, the First Lien Steering Committee has agreed to an extension of the Cash
7 Collateral Termination Date set forth in paragraph 3(i)(a) of the Final Cash Order through
8 August 28, 2009 at 11:59 p.m. (prevailing Pacific Time) based on the Budget attached hereto as
9 **Exhibit A**, which shall supplement the original Budget attached to the Final Cash Collateral
10 Order, with all other provisions of the Final Cash Collateral Order remaining in full force and
11 effect.

12 5. The Budget attached hereto as **Exhibit A** is the governing Budget under the Final
13 Cash Collateral Order, with all other provisions of the Final Cash Collateral Order remaining in
14 full force and effect except for compliance with paragraph 3(b) regarding Pinnacle, which the
15 FLSC and Agent waive.

16 6. Notwithstanding anything to the contrary in this Order, the budget line items for
17 Pinnacle in **Exhibit A** shall be included in any Cash Collateral Order(s) through October 2,
18 2009.


19 7. The SARE Motion and Exclusivity Extension Motion shall be deemed withdrawn,
20 with prejudice, upon entry of an Order by the Bankruptcy Court approving this Stipulation.

21 8. The Cash Collateral Extension Motion shall be continued to August 28, 2009.


22 Dated: July 17, 2009
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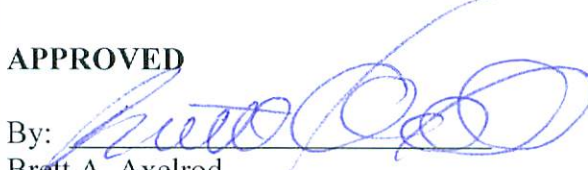
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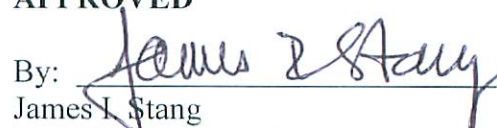
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EXHIBIT A

Rhodes Homes 17 Week Cash Flow Forecast
Revised 7/15/2009

Starting Cash on 6/5/2009 (Projection)		\$ 4,093,290		Actuals		Actuals														
Line #	Week Ending	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27		
		6/12/2009	6/19/2009	6/26/2009	7/3/2009	7/10/2009	7/17/2009	7/24/2009	7/31/2009	8/7/2009	8/14/2009	8/21/2009	8/28/2009	9/4/2009	9/11/2009	9/18/2009	9/25/2009	10/2/2009	Totals	
1	Units Closed - Backlog (Sold)	1	0	3	2	4	3	4	4	4	2	0	0	1	0	1	0	0	29	
2	Units Closed - New Sales Not Started (Projected)	0	0	0	0	0	0	0	0	2	2	3	3	2	2	3	3	2	22	
3	Units Closed - Unsold Standing Inventory (Projected)	2	0	0	0	0	1	1	0	1	1	1	0	0	0	0	0	0	7	
4	Net Revenues - Backlog (Sold)	\$ 271,664	\$ -	\$ 710,616	\$ 457,863	\$ 944,297	\$ 528,734	\$ 1,014,112	\$ 786,611	\$ 857,907	\$ 461,518	\$ -	\$ -	\$ 218,941	\$ -	\$ 375,310	\$ -	\$ -	\$ 6,627,573	
5	Net Revenues - New Sales Not started (Projected)	-	5,608	-	-	-	-	-	-	380,000	380,000	570,000	570,000	380,000	380,000	570,000	570,000	380,000	4,185,608	
6	Net Revenues - Unsold Standing Inventory (Projected)	393,361	-	-	-	-	290,750	281,650	-	245,250	363,550	372,650	-	-	-	-	-	-	1,947,211	
7	Revenues - Park Construction	-	-	-	-	-	-	315,000	-	-	-	-	-	-	-	-	-	-	315,000	
8	Tuscany Golf Course Revenues	57,694	56,057	54,000	52,000	48,000	48,000	48,000	48,000	51,000	51,000	51,000	51,000	67,000	-	-	-	25,000	707,751	
9	Pinnacle Grading Revenues	-	-	-	-	58,412	262,049	-	-	-	217,000	55,000	-	271,000	56,435	-	2,060,000	392,289	3,372,185	
10	Miscellaneous Refunds, Fees, True Ups	75,973	3,986	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79,959	
11	Total Cash Receipts	798,692	65,651	764,616	509,863	1,050,709	1,129,533	1,658,762	834,611	1,534,157	1,473,068	1,048,650	621,000	936,941	436,435	945,310	2,630,000	797,289	17,235,287	
12	Insurance Financing	-	-	-	22,287	-	-	-	-	22,287	-	-	-	22,287	-	-	-	-	89,149	
13	IT Services / Equip.	1,778	-	2,695	8,591	-	-	-	-	8,591	-	-	-	8,591	-	-	-	8,591	38,835	
14	Storage	-	-	-	1,665	-	-	-	-	1,665	-	-	-	1,665	-	-	-	1,665	6,660	
15	Rent	-	-	-	30,509	-	-	-	-	30,509	-	-	-	30,509	-	-	-	30,509	122,035	
16	Brokerage License	-	-	-	1,000	-	-	-	-	1,000	-	-	-	1,000	-	-	-	1,000	4,000	
17	HOA Fees (1)	21,100	-	-	9,308	-	-	-	-	9,308	-	-	-	9,308	-	-	-	9,308	58,332	
18	Model Home Leases (2)	3,583	-	-	30,014	-	-	-	-	30,014	-	-	-	30,014	-	-	-	30,014	123,639	
19	Total 1st of Month Payments	26,461	-	2,695	103,374	-	-	-	-	103,374	-	-	-	103,374	-	-	-	103,374	442,650	
20	Rhodes Homes Payroll (3)	72,549	72,128	72,549	72,549	72,549	72,549	172,733	78,809	78,809	78,809	78,809	78,809	78,809	78,809	78,809	78,809	78,809	1,395,691	
21	Rhodes Homes Ordinary Course Professionals	-	-	-	5,000	-	-	-	-	20,000	-	-	-	20,000	-	-	-	20,000	65,000	
22	Rhodes Homes Consultants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Rhodes Homes AZ Payroll	813	813	813	813	813	813	813	813	813	813	813	813	813	813	813	813	813	13,828	
24	Pinnacle Payroll	18,211	18,784	17,266	18,409	15,227	17,200	17,200	17,200	17,200	26,800	12,750	12,750	15,300	15,300	15,300	37,850	34,534	327,280	
25	Total Payroll and Benefits	91,573	91,725	90,628	96,771	88,589	90,562	190,747	96,822	116,822	106,422	92,372	92,372	114,922	94,922	94,922	117,472	134,156	1,801,800	
26a	Pinnacle (Job Cost)	156,865	1,643	-	46,018	16,674	267,935	9,300	9,300	9,300	235,800	61,800	6,800	270,300	65,735	8,800	1,009,800	190,059	2,366,129	
26b	Pinnacle Overhead	77,231	8,947	35,713	10,675	11,283	4,346	8,058	4,346	5,196	8,346	4,346	8,058	9,535	4,346	8,346	4,346	13,247	226,365	
27	Pinnacle (Equipment Notes Payments)	-	-	102,474	-	67,204	28,152	-	-	64,227	-	28,152	-	-	64,227	-	28,152	-	382,588	
28	RH Vertical Costs to Complete - Backlog+Standing (Unsold)	108,029	88,492	160,490	145,900	136,173	116,720	97,266	72,950	53,497	29,180	14,590	9,727	9,727	4,863	4,863	-	-	1,052,465	
29	RH Vertical Costs to Complete - New Sales Not Started(4)	25,549	16,328	45,500	77,000	108,500	140,000	171,500	218,750	262,500	262,500	262,500	262,500	262,500	262,500	262,500	262,500	262,500	3,165,626	
30	Rhodes Homes Land Dev. (Cost to Complete) (5)	57,600	8,619	75,794	177,906	64,241	28,875	40,692	37,710	18,718	20,130	23,476	31,433	87,654	32,117	23,476	37,510	19,432	785,383	
31	Rhodes Ranch Park (Job Cost)	7,925	1,672	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,597	
32	Rhodes Homes Warranty Repairs (Job Cost)	7,367	1,740	7,500	7,500	7,500	7,500	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	204,107	
33	Rhodes Homes Vertical Costs - A/P	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
34	Rhodes Homes Land Dev. - A/P	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
35	Rhodes Homes Land Dev. - Spirit Underground A/P	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
36	Rhodes Homes Land Dev. - Park A/P	61,197	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61,197	
37	Total Job Cost	501,762	127,441	427,470	464,998	411,575	593,528	341,816	358,055	428,437	570,956	409,864	333,518	654,716	448,789	322,986	1,357,308	500,238	8,253,457	
38	Sales / Marketing	25,285	2,746	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	16,070	269,088	
39	G & A	13,191	6,517	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	295,708	
40	Utility Deposits	-	-	3,151	-	-	8,786	-	-	-	-	-	-	-	-	-	-	-	11,937	
41	Builder Subsidies to Tuscany HOA (6)	55,047	-	-	18,349	-	-	-	-	18,349	-	-	-	18,349	-	-	-	18,349	128,443	
42	Sales and Use Tax / Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	526,937	-	-	-	-	526,937	
43	Debtor's Restructuring Professionals (7)	508,875	-	-	-	300,500	-	-	-	279,250	-	-	-	-	495,250	-	-	530,000	2,113,875	
44	Committee's Restructuring Professionals (8)	-	-	-	-	75,000	-	-	-	75,000	-	-	-	-	114,706	-	-	88,235	352,941	
45	Lenders' Professionals (9)	-	283,024	314,414	-	447,000	-	-	-	365,000	-	-	-	-	340,000	-	-	365,000	2,114,439	
46	US Trustee Payment Center	-	-	-	-	-	-	-	55,000	-	-	-	-	-	-	-	-	-	55,000	
47	Employee & Consultant Housing and Travel Expenses	2,234	-	6,500	4,500	2,000	2,000	2,000	2,000	4,500	2,000	2,000	2,000	4,500	2,000	2,000	2,000	4,500	46,734	
48	G&A Expenditures	604,632	292,288	358,535	57,319	858,970	45,257	36,470	91,470	776,569	36,470	36,470	36,470	584,257	986,426	36,470	36,470	1,040,554	5,915,102	
49	Tuscany Golf Course Costs	138,972	23,826	65,000	94,000	101,200	20,920	67,300	94,000	110,500	51,420	70,800	24,000	169,000	16,120	64,740	15,060	74,240	1,201,098	
50	Starting Cash Position	4,093,290	3,528,583	3,058,952	2,879,240	2,572,641	2,163,015	2,542,281	3,564,710	3,758,974	3,757,428	4,465,228	4,904,372	5,039,012	4,349,684	3,239,862	3,666,054	4,769,743	4,093,290	
51	Projected Net Revenue	798,692	65,651	764,616	509,863	1,050,709	1,129,533	1,658,762	834,611	1,534,157	1,473,068	1,048,650	621,000	936,941	436,435	945,310	2,630,000	797,289	17,235,287	
52	Disbursement for Week	1,363,399	535,281	944,328	816,462	1,460,335	750,267	636,333	640,348	1,535,702	765,268	609,507	486,360	1,626,268	1,546,257	519,118	1,526,310	1,852,562	17,614,106	
53	Ending Cash Position	\$ 3,528,583	\$ 3,058,952	\$ 2,879,240	\$ 2,572,641	\$ 2,163,015	\$ 2,542,281	\$ 3,564,710	\$ 3,758,974	\$ 3,757,428	\$ 4,465,228	\$ 4,904,372	\$ 5,039,012	\$ 4,349,684	\$ 3,239,862	\$ 3,666,054	\$ 4,769,743	\$ 3,714,471	3,714,471	

Notes:

- (1) HOA fees paid for completed communities in which the Company continues to own lots / property - (i) Spanish Hills \$2,760, (ii) Preserves \$48, (iii) \$5,000 X-It, and (iv) \$1,500 West 57th
- (2) Lease payments paid to owners of model homes (11 units) which are representative of product that continues to be sold in Tuscany and in Rhodes Ranch
- (3) Week 1 includes Jim Rhodes salary catch-up payment of \$100,000 and \$8,504 of payroll tax liabilities (subject to court approval)
- (4) Vertical construction costs incurred related to prospective, ongoing sales of product that are at the dirt lot phase of construction
- (5) Land development work as required by development agmts; includes \$238,560 of work required for bond exonerations and \$137,495 related to renewal of performance bond:
- (6) Includes monthly (i) \$1,600 sales office rent estimate and (ii) \$16,749 Tuscany HOA support
- (7) Payments to Pachulski-Stang, Larson & Stephens, Omni, Acceleron Group and the Sullivan Group.
- (8) Payments to Beckett; Holdback of \$39,706 on 9/11.
- (9) Payments to WCP, Akin Gump, Koslear & Leatham.